

Energy cost adjustment proposal

Rocky Mountain Power requests recovery of power costs.

On May 26, 2015, Rocky Mountain Power asked the Idaho Public Utilities Commission to update base rates by \$10.2 million, or 3.9 percent, to include increased variable costs to produce electricity. This update would reduce the future amount deferred and collected through the energy surcharge by the same amount. This rate increase will not increase company earnings, it only shifts recovery of costs from the energy surcharge to base rates. The proposed adjustment will allow Rocky Mountain Power to continue to provide safe, reliable electric service to its customers.

The company proposes to allocate the 3.9 percent increase across all customer classes equally. **If approved, this would be an increase of approximately \$2.35 per month for the average residential customer using 800 kilowatt-hours of electricity.**

The public will have an opportunity to comment on the proposal during the coming months as the commission studies the company's request. The commission must approve the proposed changes before they can take effect. A copy of the application is available for public review at the commission offices in Boise or on the commission's homepage at www.puc.idaho.gov.

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Customers may file written comments regarding the application with the commission or subscribe to the commission's RSS feed to receive periodic updates via email about the case. Copies of the proposal also are available for review at the company's offices in Rexburg, Preston, Shelley and Montpelier.

Idaho Public Utilities Commission
472 W Washington
Boise, ID 83702
www.puc.idaho.gov

Rocky Mountain Power offices

- Rexburg – 25 East Main
- Preston – 509 S. 2nd E.
- Shelley – 852 E. 1400 N.
- Montpelier – 24852 U.S. Hwy 89

For more information about your prices and price schedule, go to **rockymountainpower.net/rates**.



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Contact:

News Media Hotline: 800-775-7950

FOR IMMEDIATE RELEASE

May 26, 2015

Rocky Mountain Power asks that energy costs be moved into rates for its Idaho customers

BOISE, Idaho — Rocky Mountain Power has asked the Idaho Public Utilities Commission for a rate adjustment totaling \$10.2 million, or approximately 3.9 percent, allocated equally across all customer classifications. For the average residential customer in Idaho using approximately 801 kWh per month, this will mean an increase of approximately \$2.35, per month.

"When customers' rates are set, they include the anticipated variable costs of electricity such as fuel and wholesale purchases," said Tim Solomon, Rocky Mountain Power customer and community manager. "These costs fluctuate over time so there is a separate mechanism in place to make annual adjustments, subject to review by the Idaho Public Utilities Commission. The proposed increase would be effective January 1, 2016, if approved."

Solomon explained the variable cost to provide electricity represents approximately one third of the average electric bill. These costs can be highly volatile and are largely outside the company's control. To assure customers pay no more and no less than the actual variable cost to provide electricity, these variable costs are tracked by Rocky Mountain Power through an energy cost adjustment mechanism and reviewed annual by the Idaho Public Utilities Commission.

"The last time the company adjusted the level of the variable costs of providing electricity was in a general rate case in 2011," Solomon said. "Since then the cost to provide electricity has increased significantly and customer are paying these increased costs through an energy surcharge. The company believes it is more appropriate for these ongoing and permanent power costs to be included in the base rates rather than through the energy surcharge."

This rate increase will not increase Rocky Mountain Power's earnings, it simply shifts these costs into base rates instead of being collected as a surcharge.

"We recognize any changes in electric rates have an impact on our customers and we continue to work hard to provide reliable electric service at reasonable prices," Solomon said.

The public will have an opportunity to comment on the proposal during the coming months as the commission studies the company's request. The commission must approve the proposed changes before they can take effect. A copy of the company's application is available

for public review at the commission offices in Boise or on it's homepage at www.puc.idaho.gov and at the company's offices in Rexburg, Preston, Shelley and Montpelier as noted below:

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